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BIWEEKLY REPORT

**SINO-SOVIET BLOC
ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS**

EIC-WGR-1/31

15 April 1957

**PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS**

ECONOMIC INTELLIGENCE COMMITTEE

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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

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SUMMARY OF EVENTS
29 March - 11 April 1957

Representatives of Sino-Soviet Bloc countries in Asia, the Near East, and Latin America continued Bloc attempts to improve economic relations with underdeveloped countries of the Free World during the period 29 March - 11 April 1957.

The Prime Minister of Poland, Jozef Cyrankiewicz, accompanied by a delegation of high government officials, visited the Asian members of the Sino-Soviet Bloc as well as Burma, Cambodia, and India. During the tour, in line with Polish efforts to expand economic relations with Asian countries, the subject of Polish technical assistance to the three non-Bloc countries visited was among the matters discussed.

Soviet experts studying India's requirements for coal-mining machinery have submitted a report to the Indian government recommending the establishment of a plant designed to meet Indian requirements for this type of machinery during the next 15 years. Another group of Soviet experts has recommended mechanized mining in a new coalfield in India and has indicated that machinery for both quarrying and pit operations might be delivered by the USSR during 1958-60.

In the Near East, Iranian and Soviet representatives have discussed a proposed transit agreement through Iran and the establishment of an air service between Iran and the USSR. In addition, the Russians have indicated interest in the construction of two dams on a river forming a part of the joint border and in the construction by the USSR of one or more steel mills in Iran. Also in the Near East, Hungary requested a delay in the settlement of its large commercial indebtedness to Egypt and offered, as an interim measure, to import goods from the West for Egypt, thereby reducing the Hungarian debt to Egypt.

- i -

S-E-C-R-E-T

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In Latin America, Hungary has submitted attractive bids on a large order for self-propelled diesel locomotives and cars from the Argentine State Railways. Tentatively, the Argentine government has divided the order between Hungary and Italy, but the Hungarians are reportedly continuing to improve their bid and are pressing for the entire order of 300 units of equipment valued at \$24 million.

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S-E-C-R-E-T

CONTENTS

	<u>Page</u>
I. South Asia (Soviet Assistance for India's Coal Industry)	1
II. Far East (Asian Tour of Polish Prime Minister) . . .	2
III. Middle East	3
A. Hungarian Request for Delay in Settling Trade Deficit with Egypt	3
B. Recent Soviet Approaches to Iran	4
IV. Latin America (Hungarian Attempts to Sell Railroad Equipment to Argentina)	6

- iii -

S-E-C-R-E-T

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Next 7 Page(s) In Document Exempt

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